



Epicor Success Story

SKF Automotive Bearings Co. Ltd.

Building an ERP system to support growth in the Chinese automotive market

Company Facts

- ▶ Location: Gothenburg, Sweden
- ▶ Industry: Bearing Manufacturer

Success Highlights

Challenges

- ▶ Needed a solution that would speed up information processing and improve data accuracy through automation

Solution

- ▶ Epicor® iScala®

Benefits

- ▶ Low-cost solutions for mid-market companies with effective technical support
- ▶ Highly scalable system
- ▶ Rich functionalities and flexibilities
- ▶ Modular architecture

Return on Investment

- ▶ Automating business processes enabled the company to achieve record sales



SKF (AB Svenska Kullagerfabriken) was founded in 1907, with headquarters and a laboratory in Gothenburg, Sweden, and an R&D center in the Netherlands. SKF is the leading global supplier in its field, offering products, customer solutions, and services for rolling bearings, seals, and specialty steel.

SKF in China

SKF started its operations in China in 1912. In 1988, SKF China Ltd. was established in Hong Kong.

In 1992, SKF and Shanghai Bearing Co., Ltd established SKF Automotive Bearings Co. Ltd. in Shanghai—SKF taking 70% of shareholdings, with Shanghai Bearing picking up the balance. Targeting the automotive bearings market in China, the joint venture now has customers from leading car manufacturers in China.

James Xu, logistics manager of SKF Automotive Bearings, says, "With the development of the automotive industry in China, we can foresee the growing demand and bright future of business for SKF."



Introducing Epicor iScala

According to Mr. Xu, SKF awarded the ERP software contract to Scala Business Solutions, subsequently acquired by Epicor Software, and the Epicor iScala product range, because of its collaborative ERP system's significant, rich functionalities and capability that met SKF subsidiaries' unique business requirements. SKF operates in a structured way, harmonious to the modular design vision of iScala modular design vision, which further helps the company achieve maximum benefits.

"iScala is a tightly integrated and rock-solid back office system, including financial, manufacturing, purchasing, and logistic control processes. It helped SKF subsidiaries improve their operating efficiency, speeding up their development in China and also in line with global practices." Xu continues, "SKF has a plan to further implement iScala in SKF subsidiaries in Korea and the Ukraine."

SKF chose iScala not only for the above noted confidence in its support for global business processes, but also for the company's significant technical support, the combination of which makes it a low-cost business management solution for SMEs (small and medium sized enterprises).

Implementation

Introducing an ERP system like iScala into a company involves organization, vision and preparation to ensure a successful implementation. SKF is a traditional company with a long history, and its complexity in organizational structure and business scale

placed some difficulties at first on the operation of the ERP system operation. iScala is a collaborative ERP system developed using leading-edge technology and backed up by advanced management theories. Therefore, the potential for some conflict during the initial stages of deploying a new ERP system under such circumstances could not be completely avoided. SKF had such a period, but it was short-lived. It did not take much time, once iScala had been running stably with some periodical maintenance by SKF's IT staff, to see the new system's benefits.

iScala streamlined the company's manufacturing processes through the advantages of improved system security, scalability, and flexibility. iScala also enabled the company to automate and manage all business processes, building a comprehensive ebusiness infrastructure.

Benefits for logistic control

The conveniences that iScala presents to its customers are numerous, and include more accurate data, along with a flexible and personalized interface. These features enable employees to rapidly become familiar with the new system's functionality, and makes implementation into existing manufacturing processes quick. This in turn frees up the workforce, lowers costs, and shortens logistic cycles. It also improves operations efficiency and assures support for business development, generating more sales and revenue.

"We achieved the highest sales record last year in our history," says Mr. Xu, logistics manager. "I believe that this was closely related with the implementation of iScala. Simply imagine how

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James Xu, Logistics Manager | SKF Automotive Bearings



we could achieve such performance if we did not have such an automated business process in our supply chain? Without such a system, how could our executives monitor business activities in real time, manage purchasing staff and information regarding price levels, vendors' capabilities, and features of the supplied products? Streamlined information flow throughout the supply chain can overcome such obstacles, it is critical for improving the response time to prevent disorder in the whole chain."

The logistic modules in iScala provide the complete tools required for managing logistic processes from purchase to delivery. Mr. Xu particularly notes that iScala helped the company effectively control stock and lower capital needs. "Additionally, iScala showed flexibility in batch processing, status tracking, and powerful reporting. No business activities were missed, all statuses were monitored, then stock levels were reduced," he adds.

The financial modules in iScala possess powerful functions in demand analysis. This feature, working together with the reporting tools and system customization capabilities, enabled SKF's staff to complete the conversion from the old system effortlessly. Now, the benefits of iScala have been gradually recognized by SKF team members in their daily operations. For example, they now only need to print out reports at month's end, thus significantly saving time in report preparation and

increasing work efficiency. iScala is very helpful in rationalizing costs and resource allocation to this effect.

Outlook

Today, traditional companies have embraced the Internet world—customers and suppliers need communication and automation interactively and quickly. iScala is built to meet the requirements and changes a company would have to face in the future. As a traditional company, SKF is practical in the sense that business return must be considered before any decisions are made. It would only be the right choice if the new system could improve operating efficiency, deliver commercial value, and match the business's needs in any specific development stage.

With the ever-growing automotive industry in China, all of the SKF subsidiaries there perform well, and are ready to increase their investment to get even more benefits from the rapidly growing economy. This will place even higher requirements on their ERP system.

Mr. Xu concludes; "We are able to acquire more accurate and timely data. With high quality information, our executives can make more effective decisions, which allows us the position of gaining a more competitive edge over our competitors."

About Epicor

Epicor Software Corporation drives business growth. We provide flexible, industry-specific software that is designed around the needs of our manufacturing, distribution, retail, and service industry customers. More than 40 years of experience with our customers' unique business processes and operational requirements is built into every solution—in the cloud, hosted, or on premises. With a deep understanding of your industry, Epicor solutions spur growth while managing complexity. The result is powerful solutions that free your resources so you can grow your business. For more information, [connect with Epicor](#) or visit www.epicor.com.



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